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IN THE

Supreme Court of the United States

OCTOBER TERM, 1966

No. 479

WALSTEIN C. FINDLAY, JR., FINDLAY GALLERIES, INC., and W. C. F. GALLERIES, INC.,

Petitioners,

vs.

DAVID B. FINDLAY, INC., FINDLAY ASSOCIATES, INC., and DAVID B. FINDLAY,

Respondents.

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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Questions Presented

As phrased by Petitioners, neither of the questions which the Petition undertakes to present was passed upon by any court below. As appears from the order of the New York Court of Appeals directing the return and amendment of the remittitur (Pet. App. B:B-2), only the following federal questions can be said to have been "presented and necessarily passed upon" below:

1. Where a particular usage of a man's own name as a trade name constitutes unfair competition under state law, should a judgment restraining that usage in a specified local area be set aside on the ground

(a) that the Constitution of the United States guarantees the right of every man to use his own name in his own business, or

(b) that the Constitution and laws of the United States prevent a State from limiting the use of a name which is not otherwise limited by the federal patent or copyright laws, in the absence of a palming off of goods of one man as those of another.

Statutes and Rules Involved

As appears more fully below, the sections of the Lanham Act quoted at pages 3 and 4 of the Petition are not involved in this case.

Rule 23 1(f) of the Rules of this Court provides in pertinent part:

"(f) If review of the judgment of a state court is sought, the statement of the case shall also specify the stage in the proceedings in the court of first instance and in the appellate court, at which, and the manner in which, the federal questions sought to be reviewed were raised; the method of raising them (e. g., by a pleading, by request to charge and exceptions, by assignment of error); and the way in which they were passed upon by the court; with such pertinent quotations of specific portions of the record, or summary thereof, with specific reference to the places in the record where the matter appears (e. g., ruling on exception, portion of the court's charge and exception thereto, assignment of errors) as will show that the federal question was timely and properly raised so as to give this court jurisdiction to review the judgment on writ of certiorari."

Statement

Plaintiff, David B. Findlay, individually or through corporations, has operated an art gallery on East 57th Street in the Borough of Manhattan, City of New York since 1936. During all of these years the gallery has been operated under the trade name "Findlay Galleries" (R. 22, 27, 29-

30). As the trial Court found (R. 135) and the New York Court of Appeals noted (Pet. App. A:A-4):

> "Through hard work, business ability and expenditure of large sums of money, David has reached the level where a significant portion of his business comes from people who have been referred to him by others and told to go to 'Findlay's on 57th Street' ".

Back in 1938 the business was owned by a now dissolved Missouri corporation, nearly all of whose stock was owned by David (R. 23-24). At that time the business had a Chicago branch which was managed by David's brother, Walstein C. Findlay, Jr. ("Wally"). In 1938 the Chicago branch was sold to Wally and he was granted the right to use the name "Findlay Galleries, Inc." in the conduct of his own business in Chicago (Pl. Ex. 1; R. 25; Pet. App. A:A-2).* Thereafter David continued the New York business on 57th Street under the name "Findlay Galleries" and has since operated no other gallery in any other location (R. 26-29, 133-134).

In 1963 Wally determined to open his own gallery in New York City. He acquired premises immediately adjacent to those of David and announced to David that he planned to open a New York gallery on those premises using the name "Findlay" (R. 37-38, 110-111). David protested (R. 37-39) and informed his brother in writing that "any funds spent by you to establish a gallery at 17 East 57th Street under the name Findlay Galleries, Inc. (or any variation thereof using the name Findlay) are spent at your peril" (Pet. App. A:A-3; Pl. Ex. 7; R. 41). Nonetheless, in the fall of 1964, Wally opened a gallery, next door to David, at No. 17 East 57th Street under the name "Wally Findlay Galleries", proclaiming it to be affiliated with "Findlay Galleries, Inc." (Pet. App. A:A-3; R. 44; Answer to Complaint, par. 5; R. 8).

---

* Petitioners' Statement fails to note that the granting of the right to use the name was limited to its use in Chicago. A question about the breadth of the grant was at issue in the trial Court. The trial Court held that "Wally's right to use the name 'Findlay Galleries, Inc.' was limited to Cook County, Illinois" (R. 137; 47 Misc. 2d 653). This issue was not contested in the New York Court of Appeals and the Court noted the limitation on Wally's right to use the name (Pet. App. A:A-2).

Both David and Wally had for years repeatedly held themselves out as "specialists" in French Impressionist and Post-Impressionist paintings (Pet. App. A:A-5; Pl. Ex. 3; R. 32; Pl. Ex. 8-D, R. 42; Pl. Exs. 9, 10, 11; R. 47; Pl. Ex. 14; R. 49; Def. Ex. A; R. 61; R. 35, 100) and had repeatedly offered for sale works of the very same artists (Pet. App. A:A-5; Pl. Ex. 3; R. 32; Pl. Exs. 3-4; R. 32; Pl. Ex. 20, R. 54; Def. Ex. A; R. 61; Def. Ex. G; R. 108).

Wally conceded on the witness stand that he knew before he opened his New York gallery that confusion between the two galleries would result (R. 123). He was surely correct; David's customers began to congratulate him on the opening of "his" new gallery next door; within a month after the opening of Wally's gallery David had received two hundred telephone calls from people seeking to reach his competitor's place of business; numerous people came into David's gallery to inquire about art works displayed at Wally's gallery and David's gallery began to experience misdeliveries of articles intended for Wally (R. 58, 83, 86, 90-93). Wally, too, began to experience some confusion at his galley (R. 123). Advertisements for Wally's gallery began to appear in New York City newspapers on the same page as advertisements for David's gallery so that the public was presented with nearly adjacent advertisements for "Findlay Galleries" at 11-15 East 57th Street and "Wally Findlay Galleries" at 17 East 57th Street (Pl. Exs. 10 and 11, R. 47).

In seven separate instances press reports on events at Wally's gallery, published in three separate New York newspapers, identified the gallery as "Findlay Galleries", the name under which David had operated for so many years (Pet. App. A:A-4; Pl. Exs. 12 through 18, inclusive, R. 48-53). Thus even press reporters, whose job it is to observe and report with accuracy, failed to make any distinction between the two galleries.

The trial Court found that Wally's conduct constituted unfair competition. The Court said that while Wally may not have set out "to deliberately exploit" his brother's

good will and business reputation, that result would follow from Wally's conduct because confusion "must necessarily result" (R. 135, 47 Misc. 2d, 652). In this connection the New York Court of Appeals held

> "The bona fides of Wally's intentions do not change the applicable principles. The objective facts of this unfair competition and injury to plaintiff's business are determinative, not the defendant's subjective state of mind. Wally's conduct constituted unfair competition and an unfair trade practice, and it is most inequitable to permit Wally to profit from his brother's many years of effort in promoting the name of 'Findlay' on 57th Street." (Pet. App. A:A-7-8).

The trial Court entered a narrow, limited injunction restraining the defendants from using the name "Findlay" as part of a trade name for the conduct of an art gallery "on East 57th Street in the Borough of Manhattan, City of New York", such injunction to "apply only so long as the plaintiffs or any of them maintain an art gallery * * * located on East 57th Street * * *" (Pet. App. C:C-2-3).

The trial Court explicitly found that "many, if not most of the leading art galleries" in New York City were located "in the area of the 60's, 70's and 80's" and not on East 57th Street (R. 136; 47 Misc. 2d, 653).

The judgment below thus left the defendants free to use the Findlay name anywhere in the world and for any purpose in the world except for the purpose of conducting an art gallery in the limited geographical area of East 57th Street. The judgment granted plaintiff's no "monopoly" of the Findlay name in any proper sense of that term. Moreover, it imposed no limitation on the use of the name as a trademark to identify goods, if any, moving across state lines.

Petitioners' Statement (at p. 4-5) contains a number of references to sales of paintings "in interstate commerce"

and the use of a family name "in nationwide sales". As more fully discussed below, the issue whether either the plaintiffs or defendants were engaged in interstate commerce was neither framed, tried or decided at any stage of the proceedings in any court below and there are no findings of fact or conclusions of law which relate to that issue.

There is no evidence that goods of any description moved or move across state lines while bearing the name "Findlay Galleries" or any variation thereof; nor is there any evidence that any of the parties made sales from their respective New York galleries for delivery outside that State. While the record does show, quite incidentally, that David placed advertisements in art magazines distributed outside New York and shows that at a prior point in time Wally traveled to certain cities in the United States to conduct art exhibitions there (R. 32-33, 36, 99), such evidence was not directed to any interstate commerce issue and would not have supported any finding on that issue if one had been made below.

ARGUMENT

a. Petitioners have not presented questions passed upon by any court below.

Petitioners have wholly failed to comply with Rule 23 1(f) of the Rules of this Court (quoted above at p. 2). The Petition is barren of any reference to the stage in the proceedings at which or the manner in which the federal questions sought to be reviewed were raised. It is also barren of other data required by that Rule, including quotations or summaries of the specific portions of the record showing "that the federal question was timely and properly raised so as to give this court jurisdiction to review the judgment on writ of certiorari".

These omissions from the Petition are far more than technical because it would be impossible for the Petitioners

to demonstrate that the Questions Presented to this Court and certain of the arguments made to this court were passed upon by any court below.

The first of the Questions Presented by Petitioners relates to the use of "a family name as a trade name in interstate commerce contrary to the provisions of the Lanham Act and decisions of the federal courts". The second of the Questions Presented refers to "the right to use a family name as a trade name in interstate commerce". (Pet., p. 2)

Parts II and III of Petitioners' argument (Pet., p. 8-10) undertake to deal with the significance of interstate commerce and the Lanham Act in this case.

Neither the words "interstate commerce" nor the words "Lanham Act" have ever once appeared in any document in this case prior to the filing of the instant Petition with this Court. At no time in this case has any court previously made or been asked to make any finding or decision relative to interstate commerce or the applicability of the Lanham Act.

The issue which was framed and tried in this case was whether the defendants' use of the name "Findlay" at premises located immediately adjacent to those of the plaintiffs, within the narrow confines of East 57th Street in the Borough of Manhattan, was such as to mislead the public into entering the defendants' premises and dealing with the defendants in the mistaken belief that they were dealing with the plaintiffs. The infringement charged was so patently local in nature that there is no need to labor the point that neither the plaintiffs nor the defendants in any way claimed or asserted, heretofore, that interstate commerce was involved.

Although the words "Lanham Act" have never heretofore appeared in this case, it is the fact that, when Petitioners moved in the New York Court of Appeals for

return and amendment of the remittitur, Petitioners asked the Court to frame an amendment reading, in part, as follows:

> "Appellants also contended that the Constitution and laws of the United States prevent a state from limiting the use of a name which is not otherwise limited by the federal patent, copyright, *or trademark laws,* * * *" (Emphasis supplied)

In Appendix A to this brief we have reproduced Petitioners' Notice of Motion from which the foregoing extract is taken.

Respondents protested in their opposing papers that there had never been any prior reference to federal trademark laws in the case and that the New York Court of Appeals had therefore never considered or passed upon the question as phrased by appellants (Petitioners here).

The amended remittitur ordered by the New York Court of Appeals omitted all reference to federal trademark laws (See Pet. App. B: B-2) and that Court thus refused to agree that any question arising under federal trademark laws had been presented to it.

While that Court agreed that it had "necessarily" passed upon the federal questions recited in the amended remittitur, it is noteworthy that no reference even to those questions is to be found in either the majority or minority opinions filed in that Court.

We advert below to certain other deficiencies in Petitioners' arguments relating to interstate commerce and the Lanham Act. However, Respondents' primary position is that the Petition here should be denied for failure to comply with Rule 23 1(f) of the Rules of this Court and for failure to present questions considered and passed upon by any court below.

b. The decision below does not conflict with any "federal rule".

It is, of course, Respondents' position that the decision below dealt with a matter governed solely by state law and that it is, therefore, not relevant whether that decision is in conflict with any alleged federal rule. See *Pecheur Lozenge Co., Inc.* v. *National Candy Co., Inc.* 315 U.S. 666, 667 (1942). Actually, however, there is no conflict between the decision below and the rules pronounced by federal courts, including this Court.

The essence of the New York Court's ruling is that a man's use of his own name in trade may be enjoined if the injury to the plaintiff arises out of something more than the mere similarity of name, i.e., resort to an artifice or contrivance or the doing of acts calculated to mislead the public into believing that one's business is that of his competitor (Pet. App. A:A-6). The artifice, contrivance or act calculated to mislead in this case was found in the defendants' conduct in locating themselves at premises immediately adjacent to the plaintiffs so that confusion between the two businesses became inevitable.

There is no conflict between such a rule and the rule of *Howe Scale Co.* v. *Wyckoff, Seamans, etc.,* 198 U.S. 118 (1905) (relied on by Petitioners) which was a case where the defendants had been enjoined from the use of a personal name "in any manner whatsoever". Moreover, in commenting on that case in *Waterman Co.* v. *Modern Pen Co.,* 235 U.S. 88 (1914) (on which Petitioners also rely), this Court said (at p. 94):

> "But, whatever generality of expression there may have been in the earlier cases, it now is established that when the use of his own name upon his goods by a later competitor will and does lead the public to understand that those goods are the product of a concern already established and well known under that name, and when the profit of the confusion is known to and, if that be material, is intended by the later man, the law will

require him to take reasonable precautions to prevent the mistake."

The New York Court of Appeals referred in this case to a plaintiff's right to have a defendant use his own name in such a way as will not injure the plaintiff's business or mislead the public and it spoke of the court's duty to regulate the use of a defendant's name (Pet. App. A:A-8). In applying that rule to this case the Court said: (*id.*)

> "In framing its injunction the trial court went no farther than was necessary to avoid the harm threatened. It prevented the use of the name Findlay but limited this to the particular area in which its use would cause confusion and diversion—East 57th Street. It resolved the conflict with as little injury as possible to Wally."

c. Federal law has not ousted States of jurisdiction over unfair use of trade names.

Petitioners' arguments relative to the Lanham Act's creation of a federal law of unfair competition and the application of this Court's decisions in *Compco* and *Stiffel* to that area are without merit.

None of the Circuit Court cases cited by Petitioner (Pet., pp. 8-9) holds that federal law has preempted the field of unfair competition so as to deprive a State of power to control such conduct within its borders. A minority view in one circuit (e. g., *Stauffer* v. *Exley*, 184 F.2d 962 (9th Cir. 1950)) appears to hold that an aggrieved plaintiff may have recourse to the federal courts and take advantage of a federal body of substantive law arising out of the Lanham Act, provided the plaintiff is able to establish that his interstate business is adversely affected by the defendant's conduct. This minority rule is irrelevant here where the plaintiffs have never endeavored to make any such showing.

It is pointed out that other circuits may be in conflict with such a view. Even if so, that would not seem to afford any basis for the exercise of this Court's discretion to grant a writ of certiorari. The decision sought to be reviewed here is a decision of a state court; not the decision of a Federal Court of Appeals which is in conflict with a decision of another Federal Court of Appeals. Cf. Rule 19 of this Court's Rules.

Petitioners next point out that the Lanham Act denies the right of registration to a trademark that is essentially a surname. This observation is meaningless in a case which does not involve trademarks or the use of any identifying mark, as such. So far as we know, no one has ever suggested that federal law prohibits invocation of the rules of unfair competition to afford protection to a trade name which is a surname. Indeed, *Stauffer* v. *Exley, supra,* involved the possible right to federal protection of the surname "Stauffer" as a trade name.

Petitioners argument finally proceeds to the claim that the decision below is inconsistent with the decisions of this Court in *Compco Corp.* v. *Day-Brite Lighting Inc.*, 376 U.S. 234 (1964) and *Sears, Roebuck & Co.* v. *Stiffel Co.*, 376 U.S. 225 (1964).

These cases dealt with the lack of power in the States to employ the principles of unfair competition to effect a broader grant of rights than is effected by federal patent and copyright laws. In *Stiffel* this Court pointed out that Article 1, § 8, cl. 8 of the Federal Constitution affirmatively placed control of the patent and copyright fields under the Federal Government "because, as Madison put it in *The Federalist* No. 43, the States 'cannot separately make effectual provision' for either patents or copyrights. • • •" (376 U.S. at 228).

These cases have established no similar rule with respect to a State's power to protect the public and the businessman from unfair or tortious appropriation of a trade name. Indeed, in *Stiffel* this Court explicitly acknowledged the

power of the States to "protect businesses in the use of their trademarks, labels or distinctive dress in the packaging of goods so as to prevent others, by imitating such markings from misleading purchasers as to the source of the goods" (376 U.S. at 232).

d. Defendants have not been deprived of liberty or property without due process.

Conceding *arguendo* that a man's name may be regarded as property, there is nothing in the judgment below which deprives the defendants of such property. The most that can be said is that the injunction has imposed a relatively minor qualification, limitation or regulation of the defendants' rights in that the defendants have been enjoined from using the name "Findlay" only in the conduct of a particular kind of business, in a very small and limited geographic area and only so long as the plaintiffs maintain a competing business in that same area.

The Constitutional guarantees of rights to use and enjoy property have never been understood to go so far as to permit such use to the injury of the legal rights of others (*Crowley* v. *Christensen,* 137 U.S. 86, 90 (1890); *Nebbia* v. *New York,* 291 U.S. 502, 538, 539 (1934)).

Indeed, in *Hilton* v. *Hilton,* 89 N.J. Eq. 182, 104 Atl. 375 (1918), cited in support of Petitioners' argument, the New Jersey Court approved a formula under which the defendant was enjoined from using his own name so as to induce the public to believe that "the business conducted by defendant is the same as or a part of the business conducted by complainant" (89 N.J. Eq. at p. 183). See also *Garrett* v. *Garrett & Co.,* 78 Fed. 472, 478 (C.C.A. 6th 1896).

Griswold v. *Connecticut,* 381 U.S. 479 (1965) involving the right to practice birth control, is wholly inapplicable here.

CONCLUSION

For the reasons set forth above, it is respectfully submitted that the petition for a writ of certiorari should be denied.

Dated: September 22, 1966.

Respectfully submitted,

J. KENNETH CAMPBELL,
Counsel for Respondents.

Of Counsel:

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ALEXANDER & GREEN

APPENDIX A

Motion to Amend Remittitur

COURT OF APPEALS
OF THE STATE OF NEW YORK

DAVID B. FINDLAY, INC., FINDLAY ASSOCIATES, INC. and DAVID B. FINDLAY, *Plaintiffs-Respondents* *—against—* WALSTEIN C. FINDLAY, JR., FINDLAY GALLERIES, INC. and W. C. F. GALLERIES, INC., *Defendants-Appellants.*	Motion for Return and Amendment of Remittitur

Sirs:

Please take notice that, upon the annexed statement of Milton Pollack, subscribed and affirmed June 29, 1966, the remittitur of this Court herein dated June 9, 1966, the record on appeal to this Court, and upon all the pleadings and proceedings heretofore had herein, the undersigned will move this Court, on the next motion day thereof, at Court of Appeals Hall, Eagle Street, Albany, New York, for an order requesting the return of said remittitur to add thereto the following federal questions:

> "Upon the appeal herein there were presented and necessarily passed upon questions under the Constitution and laws of the United States, viz.: Appellants contended that the Constitution of the United States protects the right of every person to use his own name in the conduct of his business, and that the state may not limit such right because of a possibility of confusion, in the absence of deceit or palming off (which are not

present and were not contended here to exist). Appellants also contended that the Constitution and laws of the United States prevent a state from limiting the use of a name which is not otherwise limited by the federal patent, copyright, or trademark laws, in the absence of deceit or palming off (which are not present and were not contended here to exist), and in the absence of proof of actual confusion (which was not present or shown here to exist). The Court of Appeals denied such contentions.

and for such other and further relief as to the Court may seem just and proper.

Dated: New York, N. Y.
June 29, 1966

Yours, etc.,

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